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TO RUEHC/SECSTATE WASHDC IMMEDIATE 8122
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TAGS: KMDR OPRC OIIP ETRD BR

SUBJECT: MEDIA REACTION: WESTERN HEMISPHERE: VENEZUELA, CHAVEZ'S REGIONAL AND INTERNATIONAL INFLUENCE; BOLIVIA, REFORMS, GOVERNANCE

11. "The Vice of Populism"

Liberal and largest national circulation daily Folha de S.Paulo (4/10) says: "President Hugo Chavez, has been increasing expenses with all sorts of social programs for years in order to please his constituents... . This policy...translates into inflationary pressure. To counter that, Chavez...opted for controlling prices... . Venezuela is suffering from a severe food shortage and accumulates a high rate of inflation, 7.1% for the first three months of the year... . The situation will probably get worse because Chavez' response to the growing difficulties has been the nationalization of production chains... . Chavez' popularity is falling... . Therefore it is likely he will intensify his economic magic, making the problems in Venezuela even worse."

2."The disintegration of Bolivia"

Main editorial on center-right O Estado de S.Paulo (04/10) states: "[Bolivia President] Evo Morales' institutional reforms-- that had created excitement among his constituents-- have been a disaster... . [He] conducted the final vote on the Constitution without the opposition...[and] tried to suffocate the autonomous movements. ... The social movements that helped elect [Morales] turned against him when the people started suffering with the consequences of his botched social and economic policies... . Faced with institutional chaos, the government cancelled a referendum to approve the Constitution... . The problem in La Paz nowadays is to figure out who speaks on behalf of the government... . Machinations and fights are bountiful as are the accusations of 'internal enemies'... . The coca leader and self-appointed redeemer of an oppressed Bolivia is leading his country's political disintegration."

White